

NSC BRIEFING

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ICELAND GOVERNMENT

- I. When the Council was last briefed on the Icelandic elections, it was reported that the 52 seats in the tiny Althing had been divided 19 for the Conservatives, 17 for the Progressives, 8 for the Social Democrats and 6 for the so-called Labor Alliance, Iceland's Communist-dominated party.
 - A. Thus, no one party had the votes needed (27) to form a majority Government, and the question was what sort of coalition would be developed?
- II. The Progressive Party's newspaper has now flatly declared that reconstitution of the former Conservative-Progressive coalition is "unthinkable" and has begun a campaign to make the Labor Alliance a palatable political companion.
 - A. Said the paper: "Many support the Labor Alliance who deny Communism."
 - B. Thus, Iceland's next government may be a coalition of the Progressives, Social Democrats and Labor Alliance (total seats: 33).
- III. Strong elements in both the Social Democratic and Progressive parties would be opposed to such working relations with the Communists, however.
 - A. Furthermore, the Progressive's campaign in its favor may be an attempt to soften up their former Conservative allies by the threat of such a dire action.
 - B. Finally, the possibility of a "minority" coalition government of the Soc-Dems and Progressives, though strengthened by 23, has not yet been abandoned.